THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Government's attention has been drawn to the news item.

(b) The steps taken by the Reserve Bank of India, Government of India and the public sector banks include the preparation of documents of loan recovery policy, reduction through negotiated settlement ensuring maximum recovery at minimum cost, strengthening the Debt Recovery Tribunal mechanism, setting up of settlement advisory committees and focusing on recoveries by setting up recovery cells at Head Offices.

Under the banking laws in force disclosures of names of borrowers of bans and financial institutions is not (permissible except in the circumstances provided in;the various statutes.

Default in Repay ing Lean Taken by Sol-Pharma

2038. SBRI BRATINSEN GUPTA: Will the Minister of FINANCE be pleased to state:

(a) what is the status of Sol-Pharma, a Hyderabad based company in BIFR;

(b) whether IDBI had given a massive amount for bailing out the company;

(c) whether the company has wilfully defaulted in repaying any of the amount it had taken from Allahabad Bank, if so, where the money has been siphoned off;

(d) the manner in which the Bank propose to recover the money; and

(e) by when the company is planning to pay back the money taken through the Alday cash-Bond?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Industrial Development Bank of India (IDBI) has reported that SOL pharmaceuticals Ltd. has been declared as a sick industrial company by BIFR at its hearing held on February 1, 1999 and IDBI was appointed as Operating Agency (OA) for preparation of rehabilitation scheme. The revival scheme submitted by the company was discussed at the last BIFR hearing held on February 23,2000. BIFR has given further time to the company to finalise an acceptable revival scheme.

(b) No additional assistance is envisaged from IDBI for bailing out the company.

(c) to (e) As the case is reported to be before BIFR, the issues have to be decided by BIFR in accordance with the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 aften hearing the parties concerned.

Opening of Private Foreign Banks

2039. SHRI S. AGNIRAJ: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government are considering for giving licences to private and foreign banks to operate in the Banking sector;

(b) if so, the criteria adopted for giving such licences;

(c) the number of such cases pending with RBI for clearance; and

(d) the number of those which have started operating during the last year alongwith the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) Reserve Bank of India (RBI) considers grant of licenses to applicants intending to set up new banks in the private sector in accordance with the guidelines dated 22nd January, 1993 issued in this regard. The minimum capital requirement for setting a commercial bank in the private sector is Rs. 100 crores out of which a minimum of Rs. 40 crores is to be contributed by the promoters. While considering the applications for entry of new private sector banks, the following aspects are kepet in view:—

- They subserve the underlying goal of financial sector reforms, which is to provide competitive efficient and low-cost financial intermediation services for the society at large.
- They are financially viable.
- They should result in upgradation of technology in the banking sector.
- They avoid shortcomings such as unfair pre-emption and concentration of credit, monopolisation of economic power, cross holdings with industrial groups etc.